



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

May 30, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Grants and Demonstrations

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

Grant Announcements

PPHF 2012: Immunization Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by 2012 Prevention and Public Health Funds, \$4002. Announced May 24, 2012.

Funding is available for projects that improve the efficiency, effectiveness and/or quality of immunization infrastructure and performance. CMS is funding 9 different program areas and Massachusetts is eligible in a number of areas. Program areas include: Develop strategic plans for billing for immunization services in health department clinics; Enhancing interoperability between electronic health records (EHRs) and Immunization Information Systems (IIS) and reception of HL7 standard messages in IIS; Develop a vaccine ordering module in an immunization information system (IIS) that interfaces with CDC's VTrckS vaccine ordering and management system; Vaccine barcode improvement; Improve vaccine management, storage and handling at provider and grantee level; Utilization of immunization information systems (IIS) to improve adolescent vaccination coverage; Hepatitis B vaccination pilot; and School Vaccination Assessment Evaluation. \$35.54M in 88 awards is available.

Applications are due July 2, 2012.

The announcement can be viewed at: [Grants.gov](#)

Scholarships for Disadvantaged Students (SDS), \$5402. Announced May 23, 2012.

Funding is available for eligible applicants to provide scholarships to full-time students who are

both financially needy and from disadvantaged backgrounds in order to increase diversity among health profession students and practitioners. Eligible applicants are accredited schools and programs for various health professionals including but not limited to medicine, dentistry, veterinary medicine, behavioral health, optometry and nursing. Awardees must develop a plan for recruiting and retaining students from disadvantaged backgrounds and show that their program has succeeded based on the percentages of disadvantaged students enrolled or graduated from the school. \$45M in 246 awards is available.

Applications are due June 22, 2012.

The announcement can be viewed at: [HRSA](#)

Guidance

5/25/12 CMS issued a final rule called "Medicaid and Children's Health Insurance Programs; Disallowance of Claims for FFP and Technical Corrections." The rule implements ACA §6506 and other program improvements regarding overpayments to providers and disallowances to states in the Medicaid program, making additional changes to the disallowance repayment process to increase state flexibility.

The final rule increases the period of time states have to collect provider overpayments before they are required to return the federal funds. Under the new provisions, states will have up to one year from the date of discovery of an overpayment made to a Medicaid provider to recover or attempt to recover the overpayment before the federal funds must be returned. The final rule revises the repayment of federal funds by installment by providing additional options for states qualifying for and electing a repayment schedule and also makes several additional changes through existing statutory authorities to improve the disallowance process.

Read the final rule (published in the Federal Register on May 29, 2012) at: [Final Rule](#)

5/25/12 CMS published a set of Q&A documents regarding the ACA and Medicaid expansion and simplification. Topics covered include: Eligibility and Enrollment Systems; Eligibility Policy; Coordination Across Insurance Affordability Programs; Section 1115 Waiver Transitions; Children's Health Insurance Program; Benefits/Delivery System and Federal Medical Assistance Percentages.

The Q&A documents are available at: [QA Documents](#)

5/25/12 HHS issued a correction to the Final Rule and interim final rule- Establishment of Exchanges and Qualified Health Plans; Exchange Standards for Employers. The document corrects technical and typographic errors in the final rule, interim final rule Establishment of Exchanges and Qualified Health Plans; Exchange Standards for Employers that was published in the Federal Register on March 27, 2012.

The final rule provides guidance and options to states on how to establish and structure their health insurance exchanges, providing standards to qualify health plans for participation and determine the eligibility of both individuals and small business that want to use exchanges to provide health coverage to their employees, including premium tax credits. As required under §1311, §1312 and §1321 of the ACA, the final rule offers a framework to assist states in setting up Affordable Insurance Exchanges. The final rule also offers flexibility regarding the eligibility determination process as authorized under ACA §1411 and §1413 establishing a streamlined, coordinated, and web-based system (which maximizes automated electronic data matching when possible) through which an individual may apply for and receive a determination of eligibility for enrollment in a QHP through the Exchange. Beginning in 2014, Exchanges will operate a Small Business Health Options Program (SHOP) authorized under ACA §1311 which

will provide small employers with new ways to offer employee health coverage and access to tax credits that make coverage more affordable. The corrections are effective as if they had been included in the final rule published on March 27, 2012.

Read the final rule and the interim final rule at: [Rules](#)

Read the correction to the final rule (published in the Federal Register on Tuesday, 5/29/12) at: <http://www.gpo.gov/fdsys/pkg/FR-2012-05-29/pdf/2012-12914.pdf>

5/24/12 CCIIO issued sub-regulatory technical guidance regarding the Medical Loss Ratio (MLR) regulation under §10101 of the ACA. The bulletin,

"CCIIO Technical Guidance (CCIIO 2012-003): Questions and Answers Regarding the Medical Loss Ratio Reporting Form," explains that the MLR provision requires health insurance issuers to submit an MLR report to the HHS Secretary and requires them to issue a rebate to enrollees if the issuer's MLR is less than the allowable MLR standard established under the ACA. The MLR rules establish the minimum dollar percentage that health insurance companies must spend of consumers' health insurance premiums on medical care, not on income, overhead or marketing. Beginning in 2011, the ACA requires insurance companies in the individual and small group markets to spend at least 80% of collected premium dollars on medical care and quality improvement activities; insurance companies in the large group market are required to spend at least 85%. Insurance companies that do not meet the MLR standard are required to provide a notice about their MLR as well as rebates to their consumers, making the first round of rebates this summer of 2012.

In a question and answer format, the Bulletin provides MLR guidance, including the MLR Reporting Form instructions and the Health Insurance Operating System (HIOS) instructions, on the following topics: Applicability of MLR Rule to Excepted Benefits Plans; Determining the Number of Employees of an Employer; Attestation, Uploading and Submission of MLR Report; Group Health Insurance Coverage with Dual Contracts; Experience Rating Refunds; Notices and Enforcement.

Read the final MLR rule at: <http://www.gpo.gov/fdsys/pkg/FR-2012-05-16/pdf/2012-11753.pdf>

Read the bulletin at:

<http://cciio.cms.gov/resources/files/mlr-guidance-5-24-12.pdf>

Prior guidance can be viewed at www.healthcare.gov

News

5/24/12 CMS announced that as a result of the ACA, over 5.1 million seniors and people with disabilities with **Medicare Part D who reached the gap in coverage known as the "donut hole"** have received an automatic discount on their prescription drugs. CMS data show 416,590 Medicare beneficiaries have benefitted from the discount in the first four months of 2012. In Massachusetts, as of April 30, 2012, 6,514 individuals had received an average discount amount per beneficiary of \$762.33. Last year, the ACA provided a 7% discount on covered generic medications for people who hit the donut hole. This year beneficiaries will receive a 14% discount on generics and a 50% discount on their covered brand name prescription drugs. In 2010, nearly 4 million beneficiaries who hit the donut hole received a one-time \$250 rebate under the ACA to help them afford prescription drugs in the coverage gap. These discounts will continue to grow over time until the donut hole is closed completely in 2020 as required by ACA §1101.

For the CMS data, visit: <http://www.cms.gov/Plan-Payment/>

For more information, visit: cms.gov

5/23/12 Health Affairs published a study called "More Than Half Of Individual Health Plans Offer Coverage That Falls Short Of What Can Be Sold Through Exchanges As Of 2014." The study compared the financial protection offered by group and individual health plans in 2010 with the standards that will apply to insurance sold in exchanges in 2014 under the ACA and found that more than half of Americans who have health coverage through the individual insurance market are in plans that would not meet minimum benefit standards for the exchanges. The ACA creates Affordable Insurance Exchanges that will begin acting as a market place for health insurance plans and consumers in 2014 (§1311).

All plans sold in the exchanges must offer a set of "essential health benefits" (§1302), which includes ambulatory and emergency care, maternity care, prescription drugs and other comprehensive health care services. Although the scope of benefits offered by plans are required to be the same, the ACA sets up four tiers of cost-sharing for enrollees based on actuarial value (§1302) - a measure of a plan's financial protection for the insured, expressed as the estimated percentage of medical bills that it will pay. For example, if a plan has an actuarial value of 75%, the plan pays three-fourths of the bills and the enrollee pays one-fourth of out-of-pocket (OOP) costs, such as deductibles, copayments, or other cost-sharing. For the most basic plans in the exchange, plans will have to cover 60% of a plan's total cost, so that the enrollee has to pay no more than the other 40%. The study found that a majority of the plans, covering more than half of the people, in the individual market in 2010 covered less than 60% of all costs.

In addition, under the ACA some preventive services will have to be made available without a co-pay (§2713), the ACA also reduces cost-sharing for people below 400% FPL who buy plans in the Exchanges (§1402) and removes lifetime and unreasonable annual limits to coverage (§2711). The study concluded that a majority of those now buying health insurance on their own will gain more generous coverage by buying through the exchange under the ACA in 2014.

Read the study at: [Study](#)

5/23/12 HHS announced that 51 Family-to-Family Health Information Centers received \$4.9 million in funding through §5507 of the ACA. The centers provide information, education, training, outreach, and peer support to families with children with special health care needs and to the practitioners who serve them. Family-to-Family Health Information Centers are staffed by people who have children with special health care needs and are also experienced with navigating the health care system. In Massachusetts, Federation for Children with Special Needs in Roxbury Crossing received \$95,700 through this initiative.

Read the press release at: [HHS](#)

Read a complete list of funded health centers at: [here](#)

5/22/12 The Patient-Centered Outcomes Research Institute, known as PCORI, announced its first primary research funding announcements to support comparative clinical effectiveness research that will provide patients with the ability to make better-informed health care decisions. Created under §6301 of the ACA, PCORI is an independent nonprofit tasked with conducting such patient-centered outcomes research.

PCORI announced that this year it will award \$120 million for innovative and patient-focused projects that address the areas of focus of PCORI's National Priorities for Research and Research Agenda. Up to \$96 million in grants will be awarded for four topic areas including research that would: pit one type of treatment against another for the same disease; improve the health care system; better communicate the results of research; or address ethnic and other disparities among different populations. PCORI previously announced the approval of 50

Pilot Project Program awards, totaling \$30 million over two years, to researchers in 24 states and the District of Columbia.

PCORI expects to issue a fifth funding announcement for approximately \$24 million later this summer in a fifth area, the methods involved in research. Prior to releasing the funding applications, PCORI's Board of Governors approved the final version of its National Priorities for Research and Research Agenda which was updated in part, based on public feedback from individuals and organizations.

Read the funding announcement at: <http://www.pcori.org/funding-opportunities/pfa/>
Read PCORI's National Priorities for Research and Research Agenda, as adopted by the PCORI Board of Governors on May 21, 2012, at: [Priorities](#)

More information is available at www.pcori.org.

5/22/12 The Medicaid and CHIP Payment and Access Commission (MACPAC) met to discuss Medicaid's research agenda, Medicare-Medicaid coordination, access to care for non-elderly adults, data for measuring access and Medicaid and CHIP statistics. Commissioners heard a presentation from Sean Cavanaugh, the acting director at the Center for Medicare and Medicaid Innovation, about the Medicaid-related projects that the Innovation Center is funding. The Commissioners also reviewed certain draft sections of their upcoming June 2012 report to Congress including data sources for measuring access to care for Medicaid and CHIP. MACPAC was established by the Children's Health Insurance Program Reauthorization Act and later expanded and funded through §2801 and §10607 of the ACA. The commission consists of experts, government officials, executives and medical professionals. MACPAC is tasked with reviewing state and federal Medicaid and CHIP access and payment policies and making recommendations to Congress, the HHS Secretary, and the states on a wide range of issues affecting Medicaid and CHIP populations, including health care reform.

View the agenda at: <http://www.macpac.gov/home/meetings/agenda-may-2012-meeting>

View the presentations and materials from the May meeting at:
<http://www.macpac.gov/home/meetings/2012-05>

Upcoming Events

Integrating Medicare and Medicaid for Dual Eligible Individuals Open Meeting

June 1, 2012, 10:00 AM - 12:00 PM

One Ashburton Place, 21st Floor, Conference Rooms 2 & 3
Boston, MA

The purpose of this meeting will be to give an update on the Demonstration, and to focus on consumer issues.

We welcome attendance from all stakeholders and members of the public with interest in this proposed Demonstration. Reasonable accommodations will be made for participants who need assistance. Please send your request for accommodations to Donna Kymalainen at Donna.Kymalainen@state.ma.us

3 R's Work Group Open Stakeholder Meeting

Session to Discuss ACA Provisions Related to Reinsurance, Risk Adjustment and Risk Corridors
Friday, June 22, 2012
10:00 AM - 11:30 AM

1000 Washington Street, Boston
Hearing Room E, DOI Offices

If any interested persons are unable to attend the meeting in person, they can participate in the session by calling the number below. We highly encourage people to attend in person as the acoustics in the Hearing Room can be difficult.

Dialing Instructions:

Dial 1-877-820-7831

Pass Code 371767# (please make sure to press # after the number).

Bookmark the **Massachusetts National Health Care Reform website** at: http://mass.gov/national_health_reform to read updates on ACA implementation in Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.